APPLICATION GUIDELINES

and

FORMS

For The Water Development and Renewable Resource Development Grant Programs

MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION
1520 EAST SIXTH AVENUE HELENA, MONTANA 59620-2301 444-6668
DNRC

MONTANA WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT GRANT PROGRAMS

GUIDELINES AND APPLICATION FORMS FOR PREPARING GRANT APPLICATIONS

This booklet explains how public entities and individuals, partnerships, corporations, and associations can apply for grants under Montana's Water Development and Renewable Resource Development Programs. It describes eligible grant applicants, funding limits, eligible projects and activities, grant approval and funding procedures, and applicant responsibilities. The booklet includes application forms.

If you have any questions write or call:

Department of Natural Resources
and Conservation
Water Resources Division
Water Development Bureau
1520 East Sixth Avenue
Helena, Montana 59620-2301
Phone: 444-6668

Applications must be postmarked no later than May 15 of even-numbered years so they can be evaluated before they are presented to the Montana Legislature.

IF YOU WANT BOTH A GRANT AND A LOAN, YOU MUST ALSO COMPLETE A LOAN APPLICATION.

WATER DEVELOPMENT AND RENEWABLE RESOURCE DEVELOPMENT GRANTS PROGRAMS

The Water Resources Division, Water Development Bureau, of the Department of Natural Resources and Conservation administers both the Water Development Program and the Renewable Resource Development Program. Although these programs are similar in many respects, they do differ somewhat in terms of purposes and applicant eligibility.

THE WATER DEVELOPMENT GRANT PROGRAM

The Water Development Grant Program was established in 1981, and is administered by the Department of Natural Resources and Conservation (DNRC). The intent is to promote the beneficial use of water, and allow Montanans to achieve full use of the state's water by providing financing for water development projects and activities. The program is funded by a percentage of the coal and mineral severance taxes.

THE RENEWABLE RESOURCE DEVELOPMENT PROGRAM

The Renewable Resource Development Program was established in 1975 to develop renewable resources that will preserve the state's natural heritage and maintain the quality of public resources such as land, air, water, fish, wildlife, and recreational opportunities. The program is also funded by a percentage of the coal and mineral severance taxes.

ELIGIBLE APPLICANTS

State and local public entities including cities, towns, irrigation districts, conservation districts, water and sewer districts, and state agencies are eligible for both Water Development and Renewable Resource Development Program funds. Individuals, partnerships, private associations, and corporations are also eligible for Water Development Program funds, but are not eligible for the Renewable Resource Development Program funds.

ELIGIBLE WATER DEVELOPMENT PROJECTS

Construction projects that conserve, distribute, develop, store, and use water for beneficial uses are eligible for funding. Also eligible are nonconstruction activities that protect and enhance water resources by promoting efficient use, management, and protection of water.

Examples of eligible construction projects include installing gravity irrigation systems, automating and rehabilitating irrigation systems, building or repairing irrigation dams, stabilizing streambanks, building water-based recreation facilities, and installing and upgrading rural and community water and sewer facilities. Eligible nonconstruction

activities include conducting feasibility studies to examine solutions to a water-related problem, collecting data to obtain baseline information on groundwater quality, controlling saline seep, and planning comprehensive water management and capital improvements for water and sewer systems.

ELIGIBLE RENEWABLE RESOURCE DEVELOPMENT PROJECTS

The Renewable Resource Development Program funds construction, purchase, or the lease of projects that conserve, manage, use, preserve, or develop renewable resources. Demonstrations and feasibility studies are eligible as well as projects that rehabilitate, modify, or expand renewable resource projects.

Examples of eligible projects include demonstrating grazing management techniques, reclaiming landfills, developing parks, constructing solid waste resource recovery facilities, promoting agricultural land preservation, improving timber stands, and assisting in developing water reservation applications.

Grants will not be awarded for projects that include both preliminary planning and construction. Final design costs may be included with a construction proposal, but overall improvement plans, master plans, or feasibility studies must be separate from construction proposals.

GRANT LIMITS

No grant may exceed $100,000. Grants for projects which have repayment capability are limited to 25 percent of the project cost. Grants to private applicants also may not exceed 25 percent of the project cost.

There is no minimum grant limit.

APPLICATION AND APPROVAL PROCESS

In February of even-numbered years the application period opens for grants. Applications are accepted until May 15 of that year. They are reviewed and ranked by DNRC and the Water Development Advisory Council during the following summer and early fall.

DNRC first reviews the applications for completeness. You will be notified if application forms and required documentation are not complete, and you will be given a specific time to complete the requirements. Then applications are evaluated to determine if they are technically and financially feasible. During this process, you may be required to submit additional documentation. DNRC may consult with

other state and federal agencies to complete these evaluations. Feasible projects are then ranked by DNRC. Project ranking and funding levels are recommended to the Water Development Advisory Council. The Advisory Council reviews both the ranking and funding level recommendations and may recommend changes. Following this review, DNRC submits its ranking and funding level recommendations to the governor, who reviews the proposal and submits it to the legislature along with a companion appropriation bill. Applicants often ask their legislators to support their proposals. Applicants are notified of legislative hearings and often testify in support of their projects. The legislature makes the final ranking and funding decision.

FUNDING SCHEDULES

Grant funds for projects approved by the legislature are awarded in order of the legislative ranking, as the coal and mineral severance tax revenues become available throughout the two-year funding cycle, which begins July 1 of every odd-numbered year. You will be notified when the grant funds are available for your project. BECAUSE GRANT FUNDS ARE ONLY AVAILABLE AS TAX REVENUES ARE COLLECTED, A DECLINE IN REVENUE MAY MEAN THAT NOT ALL PROJECTS ON THE FUNDING PRIORITY LIST WILL RECEIVE MONEY.

YOUR RESPONSIBILITIES

Your grant application should present the project as accurately and completely as possible. Cost estimates for various tasks and activities should reflect an adequate amount for completion of the work as proposed. Your application will be ranked on the basis of the project being completed as proposed. The application, therefore, must be a realistic representation of anticipated activities and expected accomplishments.

If your project is approved you are expected to enter into a grant agreement. The agreement can be negotiated after your project is approved, or when your funding is available and secure. Detailed scopes of work and budgets are included in all agreements, and must be approved by DNRC before you start work on the project. EXPENSES INCURRED BEFORE THE GRANT AGREEMENT IS FINAL WILL NOT BE REIMBURSED.

DNRC must approve procedures for contracting for professional services. All state laws on contracting and bid procedures for public construction projects must be followed, and sponsors must also keep accurate financial records and documentation for audits. Sponsors must permit DNRC to monitor performance and visit the project site.

Periodic narrative progress reports and financial reports will be required. A final report is required when the project is complete.

Please include a non-refundable $150 application fee.

GRANT APPLICATION CHECKLIST

____1. Application Fee $150.00 (Make checks payable to DNRC)

____2. Application Summary

____3. Technical Narrative

____4. Technical Documentation

____5. Financial Narrative

____6. Application Budget

____7. Ranking Criteria Narrative

____8. Pictures of Project and/or Problems

Two copies of your application and supporting documentation should be postmarked no later than May 15 of even-numbered years, and mailed to:

Department of Natural Resources
and Conservation
Water Resources Division
Water Development Bureau
1520 East Sixth Avenue
Helena, Montana 59620-2301

Inquiries may be mailed to DNRC or call 444-6668.

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

GRANT APPLICATION SUMMARY

I. APPLICANT INFORMATION

A. Applicant Name _____

B. Mailing Address _____

C. City, State, Zip _____

D. Telephone Number(s): _____

E. Contact Person _____

1. Address if different from Project Sponsor _____

2. Telephone _____

F. This grant is requested by a(n) (Check one)

___ Individual	___ State government unit	___ Rural Improvement district
___ Corporation for profit	___ City, town, or county	___ Irrigation district
___ Nonprofit corporation	___ County water or sewer district	___ Conservation district
___ Partnership	___ Association	

___ Other (Specify) _____
_____

II. PROJECT INFORMATION

A. Project Title _____

B. Brief Project Description _____
_____
_____
_____

C. How long will it take to complete your project or activity?
_____

D. Project Budget (from pages 17-19)

I (we) request a grant in the amount of $ _____ *

I am (we are) prepared to spend this amount of my (our) money $ _____

I (we) have also secured funding from the following sources. (List amount and name of source)

$ _____

$ _____

TOTAL PROJECT COST $ _____

* Maximum allowable grant is $100,000.

-- Grants to private recipients cannot exceed 25 percent of the total project cost.

-- Grants for projects with repayment capability cannot exceed 25 percent of total project cost.

E. Authorizing Statement

I (We) hereby declare that the information, and all attachments to this application are true, complete, and accurate to the best of my (our) knowledge, and that the project or activity complies with all applicable state, local, and federal laws and regulations.

I (We) further declare that I am (we are) legally authorized to enter into a binding contract with the Department of Natural Resources and Conservation to obtain a grant if this application receives approval.

PUBLIC APPLICANTS

_____ _____, 19____

Signature and Title of Authorized Representative of Public Entity Applicant — Date

PRIVATE APPLICANTS

INDIVIDUAL

Signature of applicant _____ Date _____

Signature of co-applicant _____ Date _____

PARTNERSHIP

Name: _____, a Montana partnership

By: _____, a partner

_____, a partner

_____, a partner

Date: _____

CORPORATION

NAME: _____, A Montana corporation

By: _____, President

_____, Secretary

Date: _____

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

TECHNICAL NARRATIVE
INSTRUCTION SHEET

At a minimum, the technical narrative should include the following:

Checklist

____A. A clear statement of the purpose of the project and the specific objectives to be accomplished.

____B. A thorough description of the project that shows how the project will accomplish the objectives.

____C. A discussion of the history of the project or problem addressed by the project, and all work previously conducted.

____D. A description of the technical alternatives and the reason the proposed alternative was selected.

____E. A specific description of the implementation plan.

____F. A schedule (preferably in chart form) for completing the project.

____G. A discussion of the effects, positive or negative, the project will have on water quantity and quality, soils, vegetation, wildlife, and other natural resources.

____H. A description of the final project results, how they will be used, and by whom.

II. Instructions for Documentation

You are urged to submit as much relevant, sound documentation about the project as you have.

A. Include appropriate data on the natural features of the project area such as soils, vegetation, geology, and hydrology. Include completed technical reports and studies on the project. All engineering design work submitted for construction projects should name the design standards used, and should be prepared by a professional engineer licensed to practice in Montana. DNRC may exempt the professional engineer requirement if work is done by an experienced person in the project field, following designs established by a professional engineer. An example of this circumstance might be an irrigation project with design work completed by a technician following Soil Conservation Service (SCS) design procedures.

B. Include a topographic map or aerial photo that locates the project or activity by sections, townships, and ranges. Identify all proposed construction sites, sources of water, points of water diversion, places of water use, and water conveyance structures. Title all maps, and include a scale and a north arrow.

C. Include verification of deeds, easements, or right-of-way agreements that will be required to complete your project, or describe property agreements that will be needed to begin the project. Water right certificates, proof-of-use rights, or acknowledgment of water right claims should also be included. Some construction projects may require other permits. Prepare a list of permits you have obtained, or must obtain to complete the project.

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

TECHNICAL NARRATIVE

(use additional pages as needed)

Applicant _____

Project Title _____

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

FINANCIAL NARRATIVE AND BUDGET FORM
INSTRUCTION SHEET

IF YOU WANT BOTH A GRANT AND LOAN, DO NOT COMPLETE THE FINANCIAL NARRATIVE AND BUDGET FORMS IN THIS APPLICATION. INSTEAD, COMPLETE THE FINANCIAL NARRATIVE AND BUDGET FORMS FOUND IN THE LOAN APPLICATION BOOKLET.

I. Instructions for Narrative

The narrative must clearly demonstrate that the project or activity can be done within the proposed budget. In your narrative, provide a general discussion of the spending plan, and explain each budget item in relation to the total budget. The financial narrative should make clear the reason why the budget was developed as proposed. Include the source of all cost estimates. Discuss the cost of the selected project as opposed to the alternatives described in the technical feasibility section.

Identify all funding sources for your project. Describe your efforts to secure those funding commitments. If you applied to other funding agencies, give the date of the application, when a funding decision is expected, and state whether it is a grant or loan request. State how much money you will provide and describe your in-kind contributions. If local community funds are contributed, specify if they are general revenues or loans. If you plan to borrow from the private sector, fully describe your borrowing plans. Include in the financial feasibility narrative any other information that would be helpful in assessing the financial commitment to completing the project.

II. Instructions for Budget

Use the budget forms provided. Budgets should estimate costs as completely and accurately as possible. The forms include major expense categories, and separate the actual project costs from the administrative, engineering, land acquisition, and permitting costs, which are sometimes not anticipated. Construction projects should include a contingency expense of 10 percent of construction costs to cover unexpected expenses. An inflation contingency may be included as a project cost, and must be identified as such on the budget form. Time elapses between project approval and funding, so an inflation contingency may assure that funds are sufficient to complete the project. Actual funding cannot exceed the amount authorized by the legislature.

Include copies of cover letters for funding applications you have made to other agencies, letters, of inquiry and responses, and budget documents that show the balance available in accounts from any local fund you plan to use.

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

FINANCIAL FEASIBILITY NARRATIVE

(use additional pages as needed)

Applicant _____

Project Title _____

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
RENEWABLE RESOURCE AND WATER DEVELOPMENT PROGRAMS

PROJECT BUDGET FORM

I. CONTRACT ADMINISTRATION

A. Employee & Contracted Personnel

Position Titles (list is not intended to be inclusive) Please indicate wages and allocation of time for each project position.	DNRC Grant	Non-DNRC	Total	Funding Source (if not DNRC)
Administrator/Project Manager	$	$	$	
Accountant				
Attorney				
Fringe Benefits				
Subtotal Salaries and Benefits	$	$	$	

B. Associated Costs

Office Rent				
Equipment Rent, Lease, or Purchase				
Utilities				
Communications				
Supplies				
Travel				
Other (specify)				
Subtotal Associated Costs	$	$	$	
TOTAL CONTRACT ADMINISTRATION COSTS	$	$	$	

II. PROFESSIONAL/TECHNICAL COSTS

A. Employee & Contracted Personnel

Position Titles (list is an example only) Please indicate wages and allocation of time for each project position.	DNRC Grant	Non-DNRC	Total	Funding Source (if not DNRC)
Project Engineer	$	$	$	
Hydrologist				
Soils Engineer				
Project Inspector				
Fringe Benefits				
Subtotal Salaries and Benefits	$	$	$	

B. **Associated Costs** (list is an example only)				
	$	$	$	
Laboratory Costs				
Travel				
Communications				
Printing				
Supplies				
Equipment Rent, Lease, or Purchase				
Other (specify)				
Subtotal Associated Costs	$	$	$	
TOTAL PROFESSIONAL/TECHNICAL COSTS	$	$	$	

III. **CONSTRUCTION COSTS**
(list is an example only)

	DNRC Grant	Non-DNRC	Total	Funding Source (if not DNRC)
Labor				
Equipment				
Land or Structure Aquisition				
Materials				
Other (specify)				
Subtotal Construction Costs	$	$	$	
Contingency for unexpected costs (10%)				
TOTAL CONSTRUCTION COSTS	$	$	$	
IV. **PROJECT COST (Sum of I, II, III)**	$	$	$	.
V. **6 PERCENT INFLATION CONTINGENCY (optional)**				
VI. **TOTAL PROJECT COST**	$	$	$	

Revenue

Project Revenue

* I (We) request a grant in the amount of $_____

I am (We are) prepared to spend this amount of my (our) funds $_____

Other funding sources
(List and specify grant, loan or in-kind services)

_____ $_____

_____ $_____

_____ $_____

_____ $_____

TOTAL PROJECT REVENUE $_____

*Maximum allowable grant is $100,000.
—grants to private recipients cannot exceed 25% of total project cost.
—grants for projects with repayment capability cannot exceed 25% of total project cost.

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

PUBLIC BENEFITS RANKING CRITERIA

Directions: Place a check in front of the public benefit if it will occur as a result of the proposed project.

____ Conserves water, land, or energy
____ Improves irrigation or domestic water quality
____ Improves land quality
____ Makes a renewable resource more available to the public
____ Improves agricultural, industrial, or domestic water supply
____ Improves fish or wildlife habitat
____ Improves public recreation facilities or opportunities
____ Prevents property damage
____ Provides new business, employment, or taxes
____ Other (specify) _____
____ Other (specify) _____
____ Other (specify) _____

In narrative form explain how your project will provide the benefits checked above. (Narrative should not exceed 1 page in length.)

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

NEED AND URGENCY RANKING CRITERIA

Need and urgency points are awarded based on the immediacy of the problem compared to other proposals, and the cost of delaying a solution. Typically, these types of projects rank high: constructing water systems for communities which must haul water, upgrading a water system that is in violation of water quality standards, repairing unsafe dams, and developing erosion control projects in areas of high soil loss.

Describe what the consequences to natural resources and public health will be, if this project is not funded. Provide other information on the financial and natural resource need and urgency. (Narrative should not exceed 1 page in length.)

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

OTHER RANKING CRITERIA

IF YOUR PROJECT IS WATER-RELATED, COMPLETE A-F. IF NOT, COMPLETE ONLY A, B, AND C.

A. Does the project have statewide application potential? If yes, describe briefly.

B. Has the project been funded previously by any funding program administered by DNRC? ___ Yes ___ No
If yes, list the funding program and date funded.

C. Will the project take prime agricultural land out of production? ___ Yes ___ No
If yes, describe how and why.

D. Will the project provide for water storage? ___ Yes ___ No
If yes, estimate volume.

E. Will the project take place on, or benefit a family farm?
___ Yes ___ No

F. Will the project use water reserved by the conservation district's water reservations program? ___ Yes ___ No

Department of Natural Resources and Conservation
Water Development and
Renewable Resource Development Grant Programs

ENVIRONMENTAL ASSESSMENT

Instructions: Complete the following assessment.

1. Does the project deal solely with the rehabilitation of facilities? Yes _____ No _____

2. Will the proposed project or activity take place on or near a state or federal:

   a. wild and scenic river
   Yes _____ No _____ If yes, where _____

   b. wilderness area
   Yes _____ No _____ If yes, where _____

   c. primitive area
   Yes _____ No _____ If yes, where _____

   d. wildlife management area
   Yes _____ No _____ If yes, where _____

   e. recreational site
   Yes _____ No _____ If yes, where _____

3. Will the planned project divert water from or otherwise impact a blue ribbon stream or similarly important fishery?

   Yes _____ No _____ If yes, where, how _____
   _____

4. Will the proposed project or activity take place on or near:

   a. big game winter or seasonal range
   Yes _____ No _____ If yes, where _____

   b. upland game bird habitat
   Yes _____ No _____ If yes, where _____

   c. bald eagle or other raptor nesting sites
   Yes _____ No _____ If yes, where _____

   d. waterfowl and furbearer habitats
   Yes _____ No _____ If yes, where _____

   e. important riparian or wetland areas
   Yes _____ No _____ If yes, where _____

5. Is saline seep (soil salinity) a present or potential problem in the vicinity of the proposed project or activity?
   Yes _____ No _____

6. Are there any known sites of historic or prehistoric importance near the proposed project or activity?
   Yes _____ No _____
   If yes, where _____

7. Are there any present land uses that would be limited or precluded if the proposed project or activity is undertaken?
   Yes _____ No _____
   If yes, what _____

8. Is there any other information about the environmental or social impact of the project that should be taken into consideration?

_____

_____

_____

_____

MONTANA DEPARTMENT OF NATURAL RESOURCES & CONSERVATION

1520 EAST SIXTH AVENUE
HELENA, MONTANA 59620-2301

1,500 copies of this public document were published at an estimated cost of $1.34 per copy, for a total cost of $2,010.00, which includes $1,410.00 for printing and $600.00 for distribution.